

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 AID-05 SS-15 STR-04 ITC-01
TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 AF-08
ARA-06 EA-07 NEA-10 OIC-02 /133 W
-----180836Z 103941 /17

R 180733Z MAR 77

FM AMEMBASSY WARSAW
TO SECSTATE WASHDC 7139
INFO USMISSION GENEVA
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
USMISSION EC BRUSSELS
USMISSION OECD PARIS
USDEL MTN GENEVA UNN

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E.O. 11652: N/A

TAGS: GATT ETRD EEWT PL

SUBJ: GATT ANNUAL WP ON TRADE WITH POLAND

REF: (A) STATE 55702, (B) GENEVA 1977, (C) GENEVA 1464

1. SUMMARY: AN EMBASSY OFFICER MET ON MARCH 17 WITH MEMBERS OF THE POLISH DELEGATION TO THE UPCOMING ANNUAL GATT WORKING PARTY ON POLAND. THEY SAID THE GOP DOES NOT PLAN TO HAVE THE WORKING PARTY INITIATE PROCEDURES WITH THE GATT COUNCIL FOR ESTABLISHING A SPECIAL WORKING PARTY ON THE POLISH TARIFF. THE GOP INTENDS TO SUBMIT "IN A FEW MONTHS" A SPECIAL MEMORANDUM PRESENTING THE TARIFF TO THE GATT COUNCIL AND REQUESTING CREATION OF A SPECIAL WORKING PARTY TO CONSIDER IT. BEFORE SUBMITTING THE MEMORANDUM, THE POLES WILL WANT TO MAKE A TRIAL PRESENTATION TO WASHINGTON AGENCIES. REFERENCES TO POLISH TARIFF REGULATIONS ARE GIVEN

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BELOW. THE EMBASSY HAS BEEN PROMISED ASSISTANCE IN COMPILING ALL CURRENT REGULATIONS AND WILL SEND THESE TO THE DEPARTMENT AND U.S. MISSION GENEVA. THE POLISH OFFICIALS HOPED THE U.S. DELEGATION WOULD AGAIN SUPPORT THE POLISH REQUEST FOR ENDING QUANTITATIVE AND OTHER RESTRICTIONS (LARGELY BY THE EC) ON IMPORTS FROM POLAND. END SUMMARY.

2. AFTER ENCOUNTERING SOME DELAY DUE TO THE UNAVAILABILITY OF POLISH OFFICIALS CONCERNED WITH GATT AND TARIFF QUESTIONS, AN EMBASSY OFFICER MET WITH ZYGMUNT HAGEL, DEPUTY DIRECTOR OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND PERFORMANCE, AND ROMUALD DANIEL, CHIEF OF SECTION FOR INTERNATIONAL ORGANIZATIONS, IN THE MINISTRY OF FOREIGN TRADE, TO DISCUSS THE POLISH OUTLOOK FOR THE COMING WORKING PARTY MEETING ON POLAND. HAGEL AND DANIEL, WHO WILL BOTH PARTICIPATE AS MEMBERS OF THE POLISH DELEGATION IN GENEVA, SAID THE WORKING PARTY WOULD BE SPECIFICALLY CONCERNED WITH EXAMINING COMPLIANCE WITH GATT PROVISIONS BY POLAND AND OTHER CONTRACTING PARTIES DURING 1973-1975 AND WITH CORRESPONDING BALANCE-OF-PAYMENTS INFORMATION FURNISHED BY THE GOP. THEY SAID THEY WERE NOT OPTIMISTIC ABOUT THE CHANCES OF CHANGING THE EC'S OPPOSITION ON ENDING THE TRANSITIONAL PERIOD FOR POLAND'S ACCESSION TO GATT. THEY OF COURSE HOPED THE U.S. SUPPORT FOR THE POLISH POSITION WOULD CONTINUE. THEY SAID POLAND COULD EASILY DEFEND ITS FULFILLMENT OF ITS COMMITMENT TO EXPAND TOTAL IMPORTS FROM GATT CONTRACTING PARTIES (BY 7 PERCENT ANNUALLY) IN VIEW OF THE RAPID INCREASE IN IMPORTS FROM THE WEST SINCE 1971. THE RECORD OF OTHER CP'S WITH REGARD TO TREATMENT OF IMPORTS FROM POLAND WAS MUCH LESS SATISFACTORY, THEY SAID.

3. WHEN ASKED HOW WARSAW INTENDED TO PROCEED WITH PRESENTATION OF THE POLISH TARIFF TO GATT, HAGEL SAID THE GOP WOULD BE READY TO MAKE THIS PRESENTATION "IN A FEW MORE MONTHS". HE EMPHASIZED THAT THE POLES WISHED TO HAVE A STABLE AND EFFECTIVE TARIFF BASED ON ACTUAL EXPERIENCE BEFORE BEGINNING ITS PRESENTATION. HE SAID SEVERAL CHANGES IN TARIFF LEVELS HAD BEEN MADE IN THE LAST YEAR AND THAT SUCH TRANSITION DIFFICULTIES MUST BE IRONED LIMITED OFFICIAL USE

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OUT BEFORE GOING TO GATT. HAGEL WAS AWARE OF THE ROMANIAN PROCEDURAL PRECEDENT (REF A). HE SAID, HOWEVER, THAT THE POLES PLANNED TO SEND A SPECIAL MEMORANDUM TO THE GATT COUNCIL TO PRESENT THE TARIFF AND TO REQUEST ESTABLISHMENT OF A SPECIAL WORKING PARTY TO EXAMINE IT. HE SAID VICE MINISTER OF FOREIGN TRADE AND MARITIME ECONOMY PRUCHNIEWICZ STILL PLANNED TO PRESENT THE TARIFF TO WASHINGTON AGENCIES BEFORE SENDING THE GATT MEMORANDUM. HE WAS SURE THE GOP COULD BENEFIT FROM THIS PRESENTATION IN WASHINGTON AND HOPED THAT IT COULD ASSIST IN GAINING U.S. SUPPORT FOR THE TARIFF. HAGEL SAID THE TARIFF WAS OUTSIDE THE FRAME OF REFERENCE OF THE MARCH 23 WORKING PARTY AND THAT, IF OTHER DELEGATIONS RAISED QUESTIONS CONCERNING THE TARIFF, HE WOULD ADVISE THEM OF THE POLISH PROCEDURAL INTENTIONS.

4. THE MFT OFFICERS CONFIRMED THAT THE LIST OF GOP TARIFF REGULATIONS PROVIDED BELOW WAS CURRENT THROUGH JANUARY 1976, AND OFFERED TO ASSIST THE EMBASSY IN COMPILING COMPLETE REGULATIONS ISSUED SINCE THEN. IN RESPONSE TO QUESTIONS CONCERNING THE METHOD OF TARIFF COLLECTION AND IMPLEMENTATION, THEY REPLIED

THAT THE CUSTOMS AGENCY WAS RESPONSIBLE FOR ARRANGING SUCH DETAILS AND THAT THEY WOULD ASSIST IN PROVIDING COPIES OF CUSTOMS REGULATIONS. (COMMENT: IN VIEW OF THEIR DESIRE TO ENLIST U.S. SUPPORT FOR THE TARIFF, WE ARE CONFIDENT THE POLES WILL BE FORTHCOMING IN THESE REQUESTS FOR INFORMATION. COMPILING THESE REGULATIONS AND ENGLISH TRANSLATIONS WILL PROBABLY TAKE SOME TIME, HOWEVER. END COMMENT)

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5. POLISH CUSTOMS REGULATIONS:

A) MONITOR POLSKI NO. 1, 1976, P. 8; REGULATIONS OF THE
MINISTRY OF FOREIGN TRADE AND MARITIME ECONOMY (MFTME) OF DECEMBER
17, 1975, ON CERTIFICATES OF ORIGIN FOR GOODS IMPORTED IN COMM-
ERCIAL TRAFFIC;

B) DZIENNIK URZEDOWY (THE GOVERNMENT GAZETTE), NO. 43, 1975;
MFT INSTRUCTIONS OF DECEMBER 1, 1975, ON PREFERENTIAL RATES;

C) DZIENNIK URZEDOWY, NO. 40, 1975, ITEM 210, PP 493-554,
INSTRUCTION OF THE COUNCIL OF MINISTERS OF NOVEMBER 20, 1975,
ON CUSTOMS DUTIES FOR GOODS IMPORTED IN COMMERCIAL TRAFFIC, (THIS
IS THE BASIC DOCUMENT ESTABLISHING THE TARIFF);

D) D.U. NO. 10, 1975, ITEM 56, PP 101-107; THE BASIC CUSTOMS
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LAW, OF MARCH 26, 1975;

E) D.U. NO. 22, 1975, PP 271-284; MFT INSTRUCTIONS OF JUNE 25,
1975, ON CUSTOMS INSPECTION AND CUSTOMS PROCEDURES;

F) OUR REVIEW OF INDEXES OF GOVERNMENT PUBLICATIONS SHOWS NO
OTHER PERTINENT TARIFF REGULATIONS FOR 1975 AND 1976. WE WILL
CONTINUE TO LOOK FOR CUSTOMS AGENCY REGULATIONS WHICH ARE PUB-
LISHED SEPARATELY.

6. COMMENT: THE EMBASSY IS ALSO UNAWARE OF ANY SPECIFIC POLISH
REGULATIONS WHICH BEAR ON THE SUBJECTS OF NON-DISCRIMINATION OR
EFFECTIVENESS OF THE POLISH TARIFF (REF A). ECONOMISTS AND
LEGAL ADVISERS WITH WHOM WE HAVE SPOKEN THIS YEAR CONFIRM THAT
THE TARIFF IS IN EFFECT AS A LEGAL INSTRUMENT. THEY MAINTAIN
THAT IT IS BEING APPLIED AS A NON-DISCRIMINATORY INSTRUMENT,
I.E., TO IMPORTS FROM CEMA MEMBER COUNTRIES. THEY STOP SHORT
OF SAYING THE TARIFF IS AN EFFECTIVE INSTRUMENT FOR REGULATING
IMPORTS INTO POLAND, HOWEVER. WE ARE SURE THE POLES ARE AWARE
THAT TYDIR PRESENTATION OF THE TARIFF TO GATT WILL HAVE TO GO
BEYOND DISCUSSION OF FORMAL REGULATIONS TO A REVIEW OF ITS
PRACTICAL IMPLEMENTATION, PARTICULARLY WITH REGARD TO IMPORTS
FROM STATE TRADING COUNTRIES.

7. THE LARGE POLISH HARD-CURRENCY TRADE DEFICIT AND THE CONSE-
QUENT GOP DECISION TO RESTRAIN IMPORT GROWTH OVER THE REMAINDER
OF THE 1976-1980 PLAN HAVE UNDOUBTEDLY COMPLICATED THE GOP'S
TASK OF SHOWING AN EFFECTIVELY FUNCTIONING TARIFF SYSTEM. TRADE
PATTERNS AND LEVELS OVER THE LAST YEAR HAVE BEEN AFFECTED BY
MANY OTHER FACTORS, NOTABLY DECISIONS TO RESTRAIN INVESTMENT AND
TO STRETCH OUT IMPORTS OF CAPITAL GOODS. THE GOVERNMENT HAS ALSO
HAD TO STRENGTHEN ITS SELF-REPAYMENT (SAMOSPLATA) SCHEME FOR
FOREIGN TRADE ORGANIZATIONS. THE GOP'S EXPERIENCE WITH THE
TARIFF CAN NOT HAVE BEEN A SIMPLE ONE.

8. STATE 59180 HAS JUST BEEN RECEIVED. THE EMBASSY OF COURSE
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WELCOMES THE REAFFIRMATION OF U.S. SUPPORT FOR THE POLISH
POSITION ON REMOVAL OF QUANTITATIVE RESTRICTIONS. WE ALSO CONCUR
WITH THE APPROACH SUGGESTED IN REF B AND REF C, I.E., THAT WE
SHOULD QUESTION, BUT NOT, AT THIS POINT, CHALLENGE EVOLVING

POLISH TRADE PRACTICES.

9. WE WONDER, HOWEVER, WHETHER THE INTEREST OF THE EC IN
EXAMINING POLISH REGULATIONS IS CONFINED ONLY TO QUESTIONS ON
THE POLISH TARIFF AND WHAT RELATIONSHIP THE EC INTEREST MIGHT
HAVE WITH REGARD TO ITS DESIRE TO PROLONG QUANTITATIVE
RESTRICTIONS AGAINST IMPORTS FROM POLAND. END COMMENT.
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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
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